



**MINUTES**

**CITY OF SCOTTSDALE HOUSING BOARD  
REGULAR MEETING  
ONE CIVIC CENTER, 3<sup>rd</sup> FLOOR CONFERENCE ROOM  
7447 E. INDIAN SCHOOL ROAD  
SCOTTSDALE, ARIZONA  
FEBRUARY 10, 2009**

**PRESENT:** Joe Campodall'Orto, Chair  
Nancy Cantor, Vice-Chair  
Daniel Gottlieb, Board Member  
Gary Morgan, Board Member  
Nick Thomas, Board Member

**ABSENT:** Denise Carroll, Board Member  
Kathleen Puchek, Board Member

**STAFF:** Michelle Albanese, Community Assistance Manager  
Jewel James, Senior Grant Program Manager  
Raun Keagy, Citizen & Neighborhood Resources General Manager

**CALL TO ORDER/ROLL CALL:**

Chair Campodall'Orto called the regular meeting of the Scottsdale Housing Board to order at 5:09 p.m. A formal roll call confirmed the members present as stated above.

**1. REVIEW AND APPROVAL OF MINUTES OF JANUARY 13, 2009 (Action)**

Vice-Chair Cantor requested that "Maricopa HOME Consortium" be changed to "East Valley Housing Intercity Conversation" and "LISC" be inserted behind Paul Harris' name in the second paragraph of page 4.

Chair Campodall'Orto requested that "serving as Chair" be corrected to "serving as a member" in the sixth paragraph of page 9. He only served as a member of the Green Building Advisory Committee.

**BOARD MEMBER THOMAS MOVED TO APPROVE THE JANUARY 13, 2009 HOUSING BOARD REGULAR MEETING MINUTES AS AMENDED, VICE-CHAIR CANTOR SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY BY A VOTE OF FIVE (5) TO ZERO (0). BOARD MEMBERS CARROLL AND PUCHEK WERE ABSENT.**

**2. PRESENTATION, DISCUSSION AND POSSIBLE BOARD ACTION ON THE HOUSING AGENCY PLAN AND UPDATE ON THE HOUSING CHOICE VOUCHER PROGRAM (HCV) (Action)**

Ms. Albanese announced that she would be providing a brief overview of the Housing Choice Voucher Program (HCV) as well as presenting an annual Housing Agency Plan for the Board's approval.

She introduced Jewel James as the Senior Grant Program Manager and Fair Housing Coordinator who has been instrumental in developing and revising the Agency Plan over the past six months.

Ms. Albanese explained that the Scottsdale Housing Agency receives funding from the Department of Housing and Urban Development for the Housing Choice Voucher Program, formerly known as the Section 8 Program.

The Agency is authorized by state law to develop and operate housing programs for low and moderate incomes and enters into an annual contribution contract with HUD to administer the HCV Program. It ensures compliance with federal laws, regulations, and notices, and establishes the policies and procedures for operation of the program.

**HCV Program Background:**

Ms. Albanese summarized that the HCV Program provides rental assistance payments to income eligible participants in an amount based on the household's annual gross income. Once a family is determined eligible a housing voucher is issued enabling them to search for suitable housing in the City's jurisdiction.

When the family locates suitable housing the Agency enters into a contract with the property owner and the property owner enters into a lease with the family. Each party makes their respective payments to the property owner every month to cover the total rental amount.

The Agency continues to make payments to the property owner as long as the family continues to be eligible for the HCV Program and the housing unit qualifies under the program guidelines.

**Housing Agency Plan Update:**

Ms. Albanese presented the City's 2009/2010 Housing Agency Plan, explaining that they are required to submit an annual plan to HUD in order to continue receiving funding. The plan must be presented and approved by the Resident Advisory Board (RAB) comprised of program participants as well as the Housing Board and City Council prior to submission to HUD. The purpose of RAB was to allow program participants to provide input on the administration of the HCV Program.

Ms. Albanese reported that the 2009/2010 Housing Agency Plan had already been presented to the Resident Advisory Board and copies of the meeting minutes and agenda were included in the packet distributed to the Board for review.

She pointed out that the highlighted sections of the plan reflect changes made to the plan for the 2009/2010 fiscal year from July 1, 2009 through June 30, 2010.

Ms. Albanese summarized the following components of the plan:

- Page 3 outlines which Section 8 and Home Ownership Program components are administered through the Housing Choice Voucher Program.
- Pages 4-6 contains information not applicable to the Agency since it does not have any site-based waiting lists, does not offer any public housing, and will not be requesting any capital funds since there is no public housing to improve.
- Page 7 explains how participants are allowed to use a Housing Choice Voucher as a mortgage payment in the Section 8 Home Ownership Option Program as well as outlining the program's eligibility criteria as follows.
  1. Must be a first-time home buyer or may have owned a home as long as it has not been in the last three years.
  2. Must have a minimum income requirement as set through HUD.
  3. Must have a decent employment history.
  4. Must have completed an initial lease term.
  5. Have no outstanding debts to the housing authorities.
  6. Must be a family sufficiency participant or be elderly and/or disabled to qualify.
  7. Have no prior mortgage defaults.
  8. Must complete the HUD approved home ownership counseling classes.

She recalled that the City has partnered with Community Services of Arizona (CSA) for the past eight years who was also designated by HUD as a certified home ownership counselor.

- Page 8 reflects a newly added check box relating to activities to be undertaken by the Public Housing Authority in the upcoming year which are consistent with the initiatives in the Consolidated Plan.

The 2005 Consolidated Plan was approved as a planning guide for July 1, 2005 through June 30, 2009 for the Community Development Block Program and Home Ownership Program.

- Page 9 lists supporting public documents such as the 2005 Consolidated Plan, Annual Action Plan, and Section 8 Management Assessment Program (SEMAP), explaining how the City ties all of the programs together.

Ms. Albanese invited the Board members to approve the 2009/2010 Housing Agency Plan and suggested changes as presented.

**Discussion:**

In response to Board Member Morgan's inquiry regarding any unforeseen changes necessary prior to the implementation and approval of the next five year plan, Ms. Albanese responded that there were no unforeseen administration changes and pointed out that there had been a prediction of increased funding due to the current high foreclosure rate.

Board Member Thomas reported that the eligibility requirements were going to change dramatically within the next two years in order to shift funding from counties and suburban communities back to central cities. He confirmed that Phoenix was considered a central city and Scottsdale was a suburban community.

Board Member Thomas recalled that the Republican administration shifted funding to suburban jurisdictions that could meet the population requirements as well as shifting funding to counties to be allocated to local government based on a need demonstrated to the county.

He elaborated that the government was currently discussing shifting social services to health and human resources in order to get HUD back into the housing business through the Community Development Block Grant Program.

In response to Vice-Chair Cantor's inquiry regarding the Resident Advisory Board's responsibilities, Ms. James explained that they come together to review the City's administrative plan and to provide suggestions for improvements.

Discussion ensued regarding the Phoenix Housing Authority purchasing and renovating foreclosed homes in order to create affordable housing and that Scottsdale considered the same action and did not find any properties worth investing in.

Ms. Albanese reported that Phoenix was recently allocated \$39,000,000 for its Neighborhood Stabilization Program in order to purchase the foreclosed homes. She recalled that Scottsdale did not meet the formula cap requiring each city's foreclosures to be equivalent to \$2,000,000 worth of funding.

Mr. Keagy explained that due to Scottsdale's affluent status it had to join a consortium of other Valley cities in order to qualify for other federal funding.

Upon further discussion of the matter, the Housing Board agreed to approve the Housing Agency Plan as presented.

**Family Self-Sufficiency Program Update:**

Ms. Albanese presented a chart illustrating that the City has leased out 726 vouchers out of the 735 vouchers made available by HUD.

She explained that SEMAP has a form consisting of 15 indicators for self-certifying how a program was being administered and recalled that the City scored 103% out of 100% in 2008.

Ms. Albanese pointed out that indicator 15 refers to a de-concentration bonus for attempting to de-concentrate the number of affordable units in a specific area.

Discussion ensued regarding increased landlord participation in the HCV Program as a result of the economic downturn. Ms. Albanese reported that some of the tenants and landlords participating in HCV have also been affected by foreclosures, increasing the need for relocation.

She stated that indicator 3 explains how the adjusted income was determined according to the Administrative Plan. Chair Campodall'Orto pointed out that the criteria provided could also be used in preliminary discussions with the developers.

Ms. Albanese explained that the National Association of Housing and Redevelopment Officials (NAHRO) recruits for annual program nominations and the Scottsdale City Housing Agency was notified by HUD that a Section 236 project-based mortgage assistance was approved for Scottsdale Viviendas Apartments.

She read a letter highlighting how staff collaborated with the property owner, residents, and Sandra Trepper from HUD to establish a timeline of events and plan of action for a smooth transition.

Ms. Albanese recalled that 41 vouchers from the Scottsdale Viviendas Apartments project have been housed and stated that she would like to complete her presentation with a story about a triumphant program participant. Therese was an unemployed citizen with an income of \$14,000 to support a family of six while in a distressed marriage when she joined the Scottsdale Housing Agency Family Self-Sufficiency Program in July of 2004. She later graduated from a nursing program at Scottsdale Community College to earn over \$40,000 at the Scottsdale Healthcare Shea Hospital.

**VICE-CHAIR CANTOR MOVED TO APPROVE THE HOUSING AGENCY PLAN AS PRESENTED, BOARD MEMBER GOTTLIEB SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY BY A VOTE OF FIVE (5) TO ZERO (0). BOARD MEMBERS CARROLL AND PUCHEK WERE ABSENT.**

**3. DISCUSSION AND STATUS OF PROPOSED CSA PROJECT ON BELLEVIEW STREET (Discussion Only)**

Mr. Keagy reported that Board Member Thomas previously provided him with a report on the CSA project proposed for Bellevue Street.

Board Member Thomas summarized that the project did not currently have a developer or a timetable for relocating the occupants of one of the buildings, nor initiating site clearance. He stated that there were no updated architectural schematics available, even though some changes have been made to the exterior and interior.

Board Member Thomas reported that \$750,000 would be tied up in this project should the Human Services Commission choose to approve CSA's applications for the funding of \$250,000 plus \$500,000.

Discussion ensued regarding additional funding sitting in an escrow account previously obtained for the Bellevue project bringing the amount of funding to \$1 million.

Board Member Morgan pointed out that CSA had done an amazing job supporting the City's efforts to increase affordable housing and noted that there must be a reason the Belleview project was not going well.

Board Member Thomas opined that the three main reasons the project was delayed was the current economy, lack of state funding, and Noah Schwartz being too new to have established relationships with the Arizona Department of Housing. He stated that CSA would be unable to file for a tax credit until October of 2009.

Vice-Chair Cantor volunteered to copy information from the CSA notebooks to familiarize the Board on the project and expressed ASU Foundation's desire to see the Belleview project completed. Board Member Thomas pointed out that CSA recently lost three key members of their organization.

A lengthy discussion ensued regarding the amount of time the property was allowed to be uninhabited, what conditions would require demolition of the buildings, and the effects of vacant property on the surrounding neighborhood.

Board Member Thomas stated that there were inexpensive ways to dress the property up without having empty buildings, such as creating a mini park. CSA informed him that they projected pulling everything together by 2010.

Mr. Keagy suggested requiring CSA to demolish the buildings if they are not planning to do anything until 2010. He recalled that the recently approved Zoning Ordinance text amendment states that an organization could not demolish down to bare ground unless they have an approved plan of their future project.

Board Member Thomas recommending requiring CSA to supply the Board with a monthly progress report that includes a budget breakdown. Board Member Morgan argued that City staff should be monitoring project rather than the Board.

Vice-Chair Cantor reported that on February 19, 2009 the Human Services Commission would be discussing funds allocation and a stipulation could be attached to the CSA funding. Mr. Keagy pointed out that Kroy Ekblaw manages high profile projects and may already be assigned to oversee this project.

Vice-Chair Cantor recalled that CSA requested \$251,000 from the CDBG funds with \$25,000 allocated for soil excavation and the balance to be used for tap fees as well as their request for \$500,000 from Home Funds for demolition and construction. She pointed out that CSA plans to have all units leased out by 2011.

Discussion ensued regarding the Housing Board conveying to the Human Services Commission the need for overseeing the status of the Belleview project. Board Member Thomas suggested that the special projects coordinator oversee the project to ensure that there was only one source of information on the project.

Vice-Chair Cantor recalled that there were luxury housing projects that never came before the Housing Board, arguing that the need to include the affordable or market rate aspects of housing was never discussed.

Mr. Keagy suggested that the Board define its broader duties and how they fit within the rest of the City. He agreed that staff should figure out the appropriate department for filtering information on the Belleview and similar projects to the Board.

In response to Board Member Morgan's inquiry regarding the City Council retreat, Mr. Keagy confirmed that it had not yet been scheduled. Chair Campodall'Orto recalled the Mayor's commitment to hold a meeting with all citizens interested in the revitalization of south Scottsdale within 90 days of his inauguration.

He suggested that the Board publicize that CSA is recycling and reusing the materials from the buildings as they are demolished.

Vice-Chair Cantor recalled that an organization purchased the former Mercy Housing apartment complex with plans to refurbish eight apartments. She noted that there were also three other non-profit organizations who purchased homes that have been sold to first-time homebuyers.

Further discussion ensued, and Board Member Thomas identified the need for basic planning tools necessary to understand demographics, such as the median age of housing stock and income levels.

In response to Vice-Chair Cantor's inquiry regarding whether the City has a contract with the Morrison Institute, Mr. Keagy stated that he did not know. She suggested reviewing the information prepared by Morrison Institute for the "Which Way Scottsdale?" 2003 document.

4. **DISCUSSION AND POSSIBLE BOARD ACTION ON CHANGING THE DAY OF THE MONTHLY HOUSING BOARD MEETING (Action)**

Chair Campodall'Orto recalled previous Board discussions regarding changing the Housing Board's meeting date in order to allow Board members to attend City Council meetings. He opined that changing the meeting time to 5:30 p.m. would also allow members more drive time to the meetings.

Mr. Keagy suggested the Board consider meeting on either the second Thursday or the fourth Wednesday or Thursday of the month. He reported that Board Member Puchek indicated that she was available on all three days and noted that he did not receive a response from Board Member Carroll.

Vice-Chair Cantor and Board Members Gottlieb and Thomas chose the second Thursday as a new meeting date. Board Member Morgan opined that Thursdays were not good meeting days since most people start holiday weekend vacations on that day.

The consensus of the Board was to change the monthly meetings to 5:30 p.m. on the second Thursday of every month starting in March 2009.

**VICE-CHAIR CANTOR MOVED TO CHANGE THE DAY OF THE MONTHLY HOUSING BOARD MEETING TO THE SECOND THURSDAY OF THE MONTH, BOARD MEMBER GOTTLIEB SECONDED THE MOTION, WHICH CARRIED**

**UNANIMOUSLY BY A VOTE OF FIVE (5) TO ZERO (0). BOARD MEMBERS CARROLL AND PUCHEK WERE ABSENT.**

**5. DISCUSSION AND SETTING PRIORITIES AND OBJECTIVES FOR THE UPCOMING YEAR (Action)**

Mr. Keagy presented a list of summarized priorities and objectives discussed by the Board that was prepared by board Member Thomas. He opined that the agenda item should remain on future agendas to ensure the Board's progress.

Board Member Thomas invited Board members to add suggestions to the list to stimulate discussion. He opined that the Board should vote on whether to use portions of the 1999 Original Housing Strategy as well as the 2001 Housing Strategy Update to prepare a 2009 housing strategy to be presented to City Council.

Board Member Morgan suggested adding the General Plan to the list of documents to be used. Vice-Chair Cantor recalled that she received an email indicating that Mr. Reichert wished to meet with her regarding her concerns about the lack of a housing implementation process.

Discussion ensued regarding the importance of the Five-Year Consolidated Plan and Strategy, the Annual Action Plan, and the Consolidated Annual Performance Evaluation Report as they relate to the Housing Board's activities.

Mr. Keagy reminded the Board to be strategic in defining what it wants to accomplish and how much time and effort it wants to devote to the topic. Board Member Morgan suggested staff and Chair Campodall'Orto prepare a 2009 Housing Board Calendar of Events to be presented to City Council.

Vice-Chair Cantor presented a copy of the 2005 - 2009 Five-Year Consolidated Plan and Strategy wherein language pertaining to housing was highlighted in red. Mr. Keagy agreed to send everyone a color copy of Vice-Chair Cantor's document and Board Member Thomas requested a copy of the 2001 Update that was in the form of a memo to Jan Dolan.

Vice-Chair Cantor recalled meeting with Steve Kapovis of the Community Development Corporation regarding "All Citizens Together Serving." She presented all of the documentation supplied by Mr. Kapovis regarding revitalization to Mr. Keagy for review.

In response to Board Member Morgan's inquiry regarding whether Mr. Kapovis was working on any projects with other cities, Vice-Chair Cantor responded yes and recalled that he was the Chair of the Foundation for a New Century.

Board Member Thomas reported that he also has a document that could be quickly adapted to south Scottsdale. Vice-Chair Cantor suggested waiting until the Board has reviewed Mr. Kapovis' documentation.

Board Member Gottlieb recalled attending the November 9-11, 2008 Governor's Housing Forum regarding innovations, collaborations, and housing through the IA. There was a discussion about the Assist program in Salt Lake City where they use



CDBG funding to install ramps for wheelchairs. He also outlined the discussion about improvements to building facades led by various Philadelphia community design groups.

Board Member Thomas suggested creating a corporation with broad principles set forth in the Articles of Incorporation regarding its mission, to be followed by the forming of a Board consisting of developers and investors in order to attract attention and support.

Vice-Chair Cantor stated that Mr. Kapovis could form the corporation as long as it follows the guidelines he prepared in the supplied documentation. Chair Campodall'Orto opined that the Articles of Incorporation could define the pro bono legal support.

**6. STAFF AND COMMISSION UPDATES (A.R.S. § 38-431.02(K))**

Mr. Keagy presented a news release from the City of Tempe regarding the creation of a seven-member Housing Trust Advisory Board on January 22, 2009.

He stated that three or more members of the Board must be qualified in one or more of the related categories such as real estate, lending, housing development, construction, and rental housing.

Board Member Thomas suggested gathering more information on the newly formed Board. Mr. Keagy stated that he has continued contact with Tempe's Assistant City Manager Jeff Kulaga since he was a former City of Scottsdale employee.

**7. PUBLIC COMMENT (A.R.S. § 38-431.02(K))**

No members of the public wished to address the Board.

**8. FUTURE AGENDA ITEMS**

Mr. Keagy announced that he plans to invite Mr. Reichert to the March 12, 2009 meeting to discuss the General Plan Update process and how the Housing Board fits into the process.

He suggested retaining the CSA Belleview Street project and 2009 Priorities and Objectives discussions as standing future agenda items. Chair Campodall'Orto agreed with his suggestion.

**ADJOURNMENT:**

With no further business to discuss, being duly moved and seconded, the meeting adjourned at 6:49 p.m.

Respectfully submitted,  
A/V Tronics, Inc.